

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
Indiana Government Center North
100 North Senate Avenue, Room N1058
Indianapolis, IN 46204

ORDER

IN THE MATTER OF THE REQUEST OF
THE CITY OF NORTH VERNON, JENNINGS COUNTY,
FOR APPROVAL OF THE ISSUANCE OF
A BANK LOAN

No. 07-026

A petition was filed on behalf of the above-named taxing unit for approval to obtain a bank loan to provide funds for the purchase of 14 police vehicles, one cargo van plus related equipment, in an original aggregate principal amount not to exceed \$355,000 for a term of five (5) years. A recommendation having been received from the Local Government Tax Control Board, pursuant to IC 6-1.1-18.5-8, the Department has reviewed the petition and the City has not complied with the appropriate provisions of IC 6-1.1-20 and IC 6-1.1-18.5-8. After careful consideration of all facts, this Department now takes the following action:

DENY:

A bank loan to provide funds from property taxes outside the maximum levy controls for the purchase of 14 police vehicles, one cargo van plus related equipment. This denial is based on I.C. 6-1.1-18.5-8 which only allows bonded indebtedness and leases to be exempt from property tax limits. Bank loans are not a qualified debt instrument for the exclusion. Also, the Hearing Information Sheet incorrectly references I.C. 6-1.1-20 that prescribes the process for issuance of bonds and other evidences of indebtedness by political subdivisions. This section of the Indiana Code excludes notes representing loans.

DEPARTMENT OF LOCAL GOVERNMENT FINANCE


Melissa K. Henson, Commissioner

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Michael C. Dart, General Counsel for the Department of Local Government Finance, do hereby certify that the above is a full, true and complete copy of the order of this Department made this date in the above-entitled matter.

WITNESS MY HAND AND SEAL of this Department on this the 22nd day of May, 2007


Michael C. Dart, General Counsel

Note: SEA 496-2005 passed by the General Assembly, requires local units of government to provide debt information to the DLGF within **20 days** after the sale of bonds or the execution of a lease. In addition, local units of government are also required to annually (before March 1) provide the DLGF with information regarding their outstanding debt obligations. The documents that must be completed can be found on the DLGF website: http://www.in.gov/dlqf/rates/debt_reporting.html. Please submit completed documents electronically to data@dlqf.in.gov. Questions regarding these documents may be directed to Cheryl Prochaska at (317) 234-4480.